

World Bank path on global poverty is uncertain

By **Celia W. Dugger** The New York Times
Tuesday, April 19, 2005

WASHINGTON As the spring meetings of the World Bank and the International Monetary Fund ended, James Wolfensohn, who will soon retire as the bank's president, sought to put the lack of concrete progress on global poverty initiatives in a hopeful light.

The gathering of ministers was akin to an opera overture, he said Sunday.

"The arias are going to be sung by the stars, the leaders of the countries," said Wolfensohn, a cellist with a penchant for musical analogies.

The next opportunity to reach antipoverty agreements is likely to be in July, when leaders of the wealthiest nations meet in Scotland, or in September, at an assembly of the United Nations.

In recent months, the World Bank and the IMF, Prime Minister Tony Blair of Britain and two commissions have been reading from the same page, calling for a doubling of aid to the poorest countries.

But large uncertainties underlie what many are depicting as a growing consensus on the need for such increases in financial support. Perhaps the most important is that the United States has not joined this chorus.

Deepening the uncertainty are unknowns about the direction the World Bank will take when President George W. Bush's choice, Paul Wolfowitz, who as deputy defense secretary was an architect of the Iraq invasion and had a reputation as a hawk, takes over on June 1.

Wolfowitz has yet to explain publicly his views on the ideologically charged issues of development that will shape the bank, which in turn influences policies in dozens of countries through its thousands of economists, agronomists and other specialists.

Questions swirl. Will Wolfowitz, like Wolfensohn, champion increased aid and use his influence with the White House to win larger appropriations?

In an era when the United States is preoccupied with terrorism, will he try to shift the bank's focus to developing countries where Islamic fundamentalism is viewed as a threat and channel more aid to American allies like Pakistan?

Will he be an advocate of the American view on issues like debt relief, family planning and trade reform, or a broker among the rich nations?

Wolfowitz has so far spoken mainly in generalities about his determination to fight poverty and serve the international community.

Wolfensohn said that in conversations with his successor, "He has shown absolutely no evidence to me of any politically motivated direction, and I say that quite honestly."

Lately Wolfowitz has been working to reassure leaders from Europe and developing countries that he is passionate about fighting poverty and cares about Africa. He made an appearance Friday on his lunch hour at a presentation of Blair's commission on Africa in Washington, took away a copy of its report and praised its work.

"He's listening," said Nick Stern, the commission's research director and a former chief economist at the World Bank. "We're very happy Africa is at the center of his thoughts."

Wolfowitz has told Wolfensohn that his first trip as bank president will be to Africa. And he has been plowing through stacks of material on bank operations. "He says it's putting him to sleep every night," Wolfensohn said.

Nigeria's finance minister, Ngozi Okonjo-Iweala, who is leading efforts to combat corruption in her country, Africa's most populous, said she was encouraged by what Wolfowitz said when he called recently.

"Most African finance ministers and policy makers are worried about a shift in attention to other issues," she said. "Will the Mideast become the center of attention and Africa be shoved to the background? He was very careful to assure me that while he's very interested in the Mideast, he realizes the challenge of poverty reduction lies in Africa."

This year is considered pivotal in efforts to achieve the poverty reduction goals set by world leaders in 2000. The deadline they established was 2015. And Africa, where the number of people in extreme poverty has doubled since 1981, to more than 300 million, is furthest behind.

The anxiety expressed by Blair and Wolfensohn, among others, is that the rich countries' commitments to poor countries will not match the scale of Africa's crisis.

Already, foreign aid is rising. Statistics released last week show that rich-country giving has begun to climb out of the hole it plunged into during the 1990s, when it was at its lowest point in more than a generation.

And there is optimism about what the money can accomplish.

American assistance to developing countries has risen in the Bush years to 16 cents out of every \$100 of gross national income, versus 10 cents at the end of the Clinton administration. And U.S. aid to Africa has almost tripled.

Still, last year the United States gave almost as much development assistance to Iraq, population 25 million, as it did to all of Africa, population about 700 million, according to Steven Radelet, senior fellow at the Center for Global Development in Washington. He calculated that American aid to Africa totaled less than \$5 a year per African, "about the same as what many Americans spend each morning for coffee and a bran muffin."

While American foreign aid has grown, the current level still puts the United States next to last among rich donors as a share of national income, with only Italy ranking lower.

A range of Western nations - among them Britain, France, Spain and most recently Germany - have laid out timetables to continue increasing the aid they donate over the coming decade to reach 70 cents per \$100 of national income.

The United States has pointedly refused to commit itself to such targets.

The differences are not limited to aid. The United States and Europe failed to reach a compromise on Saturday at meetings of rich-country finance ministers on \$40 billion in relief to poor countries for what they owe the World Bank and the African Development Bank.

The reasons may portend trouble for British hopes of coming out of the Scotland summit with what Gordon Brown, Britain's finance minister, has called a Marshall Plan for Africa.

Britain favors debt relief, but wants rich countries to make up what the World Bank and its African counterpart would lose in loan repayments so antipoverty lending doesn't shrink. The United States wants to cancel the debts without promising any extra money.

"Everyone knows where the trenches are in this battle," said Kevin Watkins, director of the Human Development Report Office at the United Nations. "But I don't think anyone's identified common ground on how to provide deeper debt relief."

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